

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 1682 - SB 1384

March 4, 2011

SUMMARY OF BILL: Requires that photo identification licenses issued by the Department of Safety (DOS) be free of charge to persons 18 years of age and older.

ESTIMATED FISCAL IMPACT:

Decrease State Revenue – \$1,216,700/Recurring

Forgone State Revenue – \$237,500/FY11-12 and Recurring Every Five Years

Increase State Expenditures – \$15,200/One-Time

\$68,800/FY11-12 and Recurring Every Five Years

Assumptions:

- According to DOS, there are 640,385 currently issued identification licenses.
- Identification license fees are \$9.50 (\$7.50 license fee + \$2.00 application fee).
- The decrease in revenue over a five-year period would be \$6,083,658 (640,385 x \$9.50). The license is valid for five years; therefore 20 percent will be issued per year resulting in a recurring decrease in state revenue of \$1,216,732 (\$6,083,658 x .20).
- DOS estimates an increase of approximately 25,000 individuals obtaining a photo identification license who would not otherwise have applied for one.
- There will be forgone state revenue of \$237,500 (25,000 x \$9.50) in FY11-12 with the influx of new licenses issued. This forgone revenue will recur every five years.
- Additional forgone revenue in FY12-13 through FY15-16 from new applicants for photo identification licenses will be not significant.
- The cost to issue the new 2011 license is \$2.75 per license. There will be a one-time increase in state expenditures of \$68,750 (\$2.75 x 25,000) to issue the additional 25,000 licenses in FY11-12. These expenditures will recur every five years.

- The Department has documented \$15,150 [(130 programming hours x \$75 per hour) + (60 project management hours x \$90 per hour)] in actual one-time computer programming costs by an outside vendor to implement this bill.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

/jaw